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C O N F I D E N T I A L SECTION 01 OF 02 JEDDAH 000458

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RIYADH, PLEASE PASS TO DHAHRAN, DEPARTMENT FOR NEA/ARP,
INR/B; PARIS FOR ZEYA; LONDON FOR TSOU

E.O. 12958: DECL: 07/05/2031

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SUBJECT: SCT SETTING THE STAGE FOR SAUDI'S TOURISM FUTURE

REF: JEDDAH 000221

Classified By: Consul General Tatiana Gfoeller for reason 1.4 (b) and (d).

11. (C) SUMMARY. Jeddah's new Director General of the SCT outlined his plan for tourism development in Jeddah and Kingdom-wide with Consulate General officers. The Director General is setting up the tourism sector's infrastructure by centering on critical topics such as IT development and adapting Saudi culture in order to develop the sector. The Director General is aiming to attract Saudis as investors and tourists in the sector but recognizes he has a long way to go before the Kingdom has a viable tourism industry. END SUMMARY.

PROVIDING A STRUCTURE FOR THE TOURISM INDUSTRY

12. (U) On June 28 EconOff and PolAsst met with Emad al Mugharbel, Director General of the Supreme Commission for Tourism (SCT) in Jeddah (reftel). Mugharbel told Consulate General officers that in order for tourism to succeed in Saudi Arabia, the Kingdom needs to think like Egypt where tourism equals good economics. He views tourism as part of the Kingdom's diversification effort and in the future a sizable portion of the economy. Mugharbel stated the SCT is charged with setting up the infrastructure for tourism not the modalities of the industry such as the number of visitors, offering amenities, etc.

13. (C) Mugharbel is focused on six key subjects to set up Jeddah's tourism infrastructure. 1) Using information technology to increase awareness about tourism in Saudi Arabia and accessibility for those seeking information about tourist activities. 2) Working on the cultural attitudes towards tourists by raising awareness and educating the population about how a strong tourism industry is good for the Kingdom. Part of this effort is undertaken by the "Yahalal" (Welcome) training program which will train people such as taxi drivers, airport workers, and hotel staff who are on the front line with tourists about giving good customer service. 3) Increasing the number of corporate events like the Jeddah Economic Forum to increase publicity for Jeddah. 4) Establishing a "spirit" of Jeddah in which there is a feeling that something is always happening here, and there is always something to do to incite people to visit. 5) Instituting consumer events similar to the Dubai Shopping Festival again for publicity and to make Jeddah location known for specific annual events. 6) Developing the

Red Sea as a destination for scuba iving with the development of beaches, resorts, ec. like Egypt has already done.

SAUDIS MAKE TE BEST CLIENTELE

¶4. (C) Mugharbel staed that he is optimistic about the tourism industry's future because of the government's support, particularly with Prince Nayif bin Abdul Aziz al Saud who is on the Board of Directors for the SCT. A major problem for Mugharbel however, is finding investors. He stated that he prefers to have Saudis invest in tourism because he feels they should be part of the country's development and they have the financial resources, but the Saudi investors are not putting their money in the Kingdom and are instead investing in projects in Egypt and Dubai. He said that Saudi investors do not yet see the benefit in investing in Saudi's tourism sector and while they have expressed interest, they are not ready to financially commit. While Saudis may not be interested in investing in tourism, Mugharbel mentioned that foreigners are inquiring, including two US companies.

¶5. (C) When asked about his target demographic, Mugharbel replied "Saudis make the best tourists because they spend the most when they travel." He would like Saudis to travel within the country especially to Jeddah for vacation instead of Dubai or Paris. After Saudis, he would like to attract visitors from the rest of the Gulf Cooperation Council. He feels that by focusing on tourists from Saudi and the Gulf there will be less problems resolving issues of culture and environment. Once the sector is further developed, Mugharbel also hopes to attract tourists from outside the

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Middle East including, Asia, Europe, and the US.

¶6. (C) Comment: Mugharbel appears to be on the liberal side of the Jeddawi societal spectrum, which combined with his enthusiasm, is a positive sign for tourism development. However, he does not recognize that even minor aspects of tourism infrastructure such as postcards and cameras are not easily found in Jeddah. Opening Saudi society and adapting the cultural environment will be the hardest to accomplish as Saudis will be slow to recognize that tourists are good for the country. Also, the religious establishment is likely to oppose anything that could "degrade" the Saudi populace. As PolAsst noted, "What tourist will want to wear an abaya all the time?" That is still the norm in Jeddah for women, despite the fact that according to Mugharbel in Jeddah "we have always had visitors to our area." End Comment.

¶7. (U) Bio note: Before being appointed Director General, Mugharbel was the General Manager of the Marketing Board at the Jeddah Chamber of Commerce and Industry. Aside from his current duties, he continues to own private businesses and is starting several new companies that will operate in the tourism industry in areas such as advertising and operations. He is about 50 years old, is unmarried, and has at least one son. Mugharbel has traveled extensively in the US, Europe, Asia, and the Middle East. He speaks excellent colloquial English.
Gfoeller